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HOW OTHER PEOPLE GET AHEAD

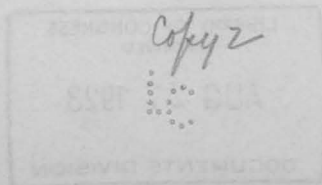


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UNITED STATES
GOVERNMENT SAVINGS SYSTEM

Treasury Department, Washington, D. C.

1923



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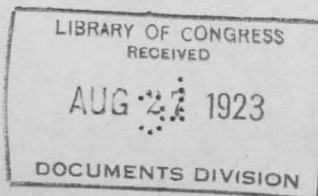
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SUCCESS

A Message from the Secretary of the Treasury to the People of the United States

Every boy and every girl must have certain assets to achieve success—not material assets alone, but assets of character, and among the most important of these are ambition, industry, personality, and thrift. Ambition is the will to attain something. The desired object may be knowledge, or honor, or power, but whatever it is, the ambition to reach it must be backed up by the willingness to work for it. Mere wishes accomplish little without the aid of earnest application and industry. The asset of personality is more elusive and seems to be born in some people without any effort on their part, but on the other hand it may be acquired by everyone who will concentrate on his career and not let it be marred by carelessness and indifference. To save part of what one earns is another vital element in a successful life. Savings are not only insurance against the turns of fortune, but also a means of seizing golden opportunities, which are so often lost through the lack of a small amount of capital. This brief sketch of some of the necessary qualities should be enough to show that there is no easy road or short cut to success. It means constant hard work and saving, and many sacrifices, but it is really worth them all through the ultimate feeling of accomplishment and the lasting happiness which it brings to its possessor.

A. W. MELLON,
Secretary of the Treasury.

FOREWORD

When the United States Government Savings System decided to publish this little book, it realized that the subject of Thrift must be discussed from a practical standpoint. The title, "How Other People Get Ahead," is a theme to which much thought has been given. "Why am I not as prosperous as my neighbor, whose income is less than mine," is a question frequently asked. Have you ever inquired whether your neighbor saves from his income systematically? If not, do so. You will probably find that he does, and that the savings habit is the underlying secret of his success.

This book is designed as a means of contact with the American public, particularly persons with moderate incomes. It aims to show the necessity of exercising care and prudence in the management of resources, the beneficial effects of saving, how to differentiate between good and bad investments, the danger signs of fraudulent schemes, and the essentials of sound investment. Finally, as a constructive means of putting good advice into effect, it presents the advantages of Treasury Savings Certificates and recommends investment in them as a forward step in Thrift and Saving, the habits essential to individual Success and Independence.

THE KEY TO INDEPENDENCE

Thrift—What Is It?

Thrift means good management; vigorous growth. "Thrift is the best means of thriving."

Thrift means spending less than you earn; saving systematically. It does not mean that you should stop spending.

Thrift means securing interest on your savings. Money kept in hiding never earns anything. Put your money to work. You work for money; make it work for you.

Learn to know values; the value of your work; the value of the fruits of your labor. Investigate and study merchandise values. Know what you buy before you buy it. Read advertising. Get acquainted with brands and trade marks, and their significance. Weigh expenditures. Put on your thinking cap and keep it on.

The wise individual is he who so regulates his income and outgo that "emergencies" are provided for automatically. He knows the meaning of "peace of mind," because he has money laid by. His chin is up, his step is brisk, he is master—not the slave—of circumstances.

To get ahead you must have a simple and definite plan. Hit or miss methods won't do; in the accumulation of money they are positively fatal. Do not read further until you see the truth of this statement.

Look Ahead Five Years

If opportunity knocks at your door, can you measure up to its requirements NOW?

What will \$100, \$1,000, \$5,000, do for you 60 months from to-day?

Will you need money to educate your son or daughter? Pay off the mortgage on your home? Take a trip to Europe? Buy a new car? Get married? Start a new business enterprise?

There is not a reasonable desire that the average person should not be able to gratify if he will practice thrift. It is remarkable how quickly money accumulates when laid by regularly and systematically, and increased by compound interest.

Financial independence is within your reach, but you will never reach it by standing still. Start saving and see it through. The longer you save the easier it becomes.

Thrift does not look toward the future alone. Thrift means better living now. Better foods, better clothes, greater enjoyment of recreations, greater dividends from life itself. Why? Because you have put your financial affairs on a sound basis.

The National Aspect of Thrift

A country of thrifty citizens makes a strong and healthy Nation. National thrift is a protection against war; an assurance of lower living costs; a guaranty of good employment. Why? Because the Nation is but an aggregation of individuals, whose personal habits become national habits.

How to Cultivate Thrift

Learn to distinguish between luxuries and necessities, and don't let your judgment be swayed by the seeming pleasures of the moment.

Keep track of all disbursements. Find out if you are wasting money, then plug the leak.

Don't shop through your children—do it yourself. But if practicable let the children accompany you when they are old enough to understand values.

Andrew Carnegie expressed it completely when he said: "The best way to accumulate money is to resolutely bank a fixed portion of your income, no matter how small the amount."

Regularity of deposit is the secret of success in accumulating money.

Benjamin Franklin said: "Remember that money is of a prolific, generating nature. Money can beget money, and its offspring can beget more, and so on. The more there is of it the more it produces every turning, so that the profits rise quicker and quicker."

HOW THREE MEN

DIVIDE

THEIR INCOMES

	Tightwad	Spendthrift	Thrifty Man
Living expenses--	37%	58%	50%
Education-----	1	1	10
Giving-----	1	1	10
Recreation-----	1	40	10
Savings-----	60	0	20

HOW TO AVOID BAD INVESTMENTS

Twelve Danger Signs

Every investor should be "on guard." This applies particularly to the small investor.

1. Mining stock. The best looking mine in the world may prove a "white elephant." Mining is a very expensive undertaking and the risks are unusually great.

There are many good mining investments, of course, but this branch of the investment market is generally not for those who work for and depend upon a salary.

2. Oil stock. Drilling for oil is costly. The hazards are great. Oil investments are speculative and in a class with mining investments.

3. In the wake of every important discovery or invention there comes a host of schemes—"airplanes," "radio," "wireless." The promoters of these may have only the best of intentions, but frequently their enthusiasm is about all they have to sell. Look before you leap.

4. Investment in "real estate" situated in some distant place is sometimes as dangerous as mining stock. People have been known to buy swamps advertised as "sea-shore frontage." Know what you are buying before you invest.

5. "Land development" schemes frequently do not pan out. At best it is a long time before any money comes in from sales. Investment in "new companies" that are going to "sell by mail" should be generally avoided.
6. Patent rights and processes distribution. It is rarely the patentee who makes the money.
7. "New manufacturing methods" should always be closely checked and investigated.
8. An investment requiring a quick decision is often a fake. If there isn't sufficient time to "sleep over it," something is probably wrong.
9. "Special inducements" in cash discounts or stock bonuses urging you to be one of the first to invest are suspicious symptoms.
10. "Tips" alleged to land you "on the ground floor" are rarely to be taken. Those who are are "on the ground floor" will monopolize the opportunity.
11. "Playing the stock market on margin" and all other forms of speculation are decidedly not for the small investor. Beware of the "bucket shop." If you buy stocks outright for investment do so through a member of a legitimate exchange.
12. Stock in "mail order companies" being organized with promises based on what others have done seldom turns out well.

SOUND INVESTMENTS

There are many good things in which to invest your money. Bonds are normally safer than stocks. In effect, when you buy a bond you lend money to the corporation or government which issues it. The corporation pledges its resources and earnings, the government its credit and revenues, to back up its promise to pay the principal and interest of the bonds when due. No sound corporation or reputable government can afford to default in its bond payments.

How to Tell What Bonds are Safe

All bonds are not safe investments. Bonds are rated according to the nature of the security behind them. First in order of safety come the bonds of the United States Government; then those of States, and of counties and municipal divisions. Then there are the bonds of railroads and public utility corporations, such as gas and electric companies, and corporations engaged in private industry. It is impossible to lay down any fixed rules as to what bonds to buy, but you are always safe in buying United States Government securities, and your banker should be able to advise you in case you have other investments in mind.

AN UNUSUAL OPPORTUNITY FOR INVESTMENT

United States Treasury Savings Certificates are among the most attractive securities issued by your Government. They are backed by the credit of the United States, pay a liberal rate of interest, and are issued in denominations within the reach of all. You can buy a \$25 Certificate now for \$20.50, and receive \$25 in cash at the end of five years; a \$100 Certificate for \$82, and receive \$100 in cash at the end of five years; and a \$1,000 Certificate for \$820, and receive \$1,000 in cash at the end of five years.

You cannot find a better security, safety considered, than these Certificates, which are automatically registered as a protection against loss or theft, and may be converted into cash at any time, if you need the money before maturity, at the price you paid for them plus interest at a good rate.

Treasury Savings Certificates may be purchased direct from the United States Treasury Department at Washington by using the application blank which may be detached from the last page of this book. They may also be purchased at Post Offices, Federal Reserve Banks, and many banks and trust companies. There is no red tape, no formality.

The 9 Big Features of Treasury Savings Certificates

1. They are direct obligations of the United States Government and therefore absolutely safe.
2. They mature five years from date of issue, but can be redeemed at any time.
3. They are issued in denominations of \$25, \$100 and \$1,000 (maturity value) and sold on a discount basis for \$20.50, \$82, and \$820, respectively.
4. The interest yield is about 4 per cent per annum, compounded semi-annually, if held to maturity; or about 3 per cent simple interest, if redeemed before maturity.
5. An amount not exceeding \$5,000 (maturity value) of any one series (that is to say, certificates issued during any one calendar year) may be held by any one person, firm, corporation, or association. Each individual member of a family, adults and minors, may hold this amount.
6. They are registered at the Treasury Department in Washington, which protects the owner against loss or theft.
7. They are exempt from the normal Federal income tax, and from all State, county and local taxation (except estate and inheritance taxes).
8. They are not subject to call before maturity.
9. They are not subject to market fluctuations, but constantly increase in value.

TREASURY SAVINGS CERTIFICATES
MAKE YOUR MONEY GROW

Denomina- tion	Issue Price	Value at end of first year	Value at end of second year	Value at end of third year	Value at end of fourth year	Maturity Value
\$25	\$20.50	\$21.10	\$21.70	\$22.30	\$22.90	\$25
100	82.00	84.40	86.80	89.20	91.60	100
1000	820.00	844.00	868.00	892.00	916.00	1000

START TODAY—USE THIS APPLICATION BLANK

Your personal check will be accepted, subject to collection in due course; or you may send a bank draft or money order. Do not send currency.
(Cut on this line)

APPLICATION FOR TREASURY SAVINGS CERTIFICATES

Number	Enclosed find Check, Draft, or Money Order for—	Amount
-----	\$ 25 Treasury Savings Certificates, at \$20.50	\$-----
-----	\$ 100 Treasury Savings Certificates, at 82.00	\$-----
-----	\$1000 Treasury Savings Certificates, at 820.00	\$-----
	Total-----	\$-----

Register in the name of and send to

Name -----

Street address -----

City ----- State -----

THREE WAYS TO BUY TREASURY SAVINGS CERTIFICATES

1. Mail this blank with remittance to the United States Government Savings System, Treasury Department, Washington, D. C.
2. Buy them at your Post Office.
3. Buy them through your bank, or at any Federal Reserve Bank or branch.

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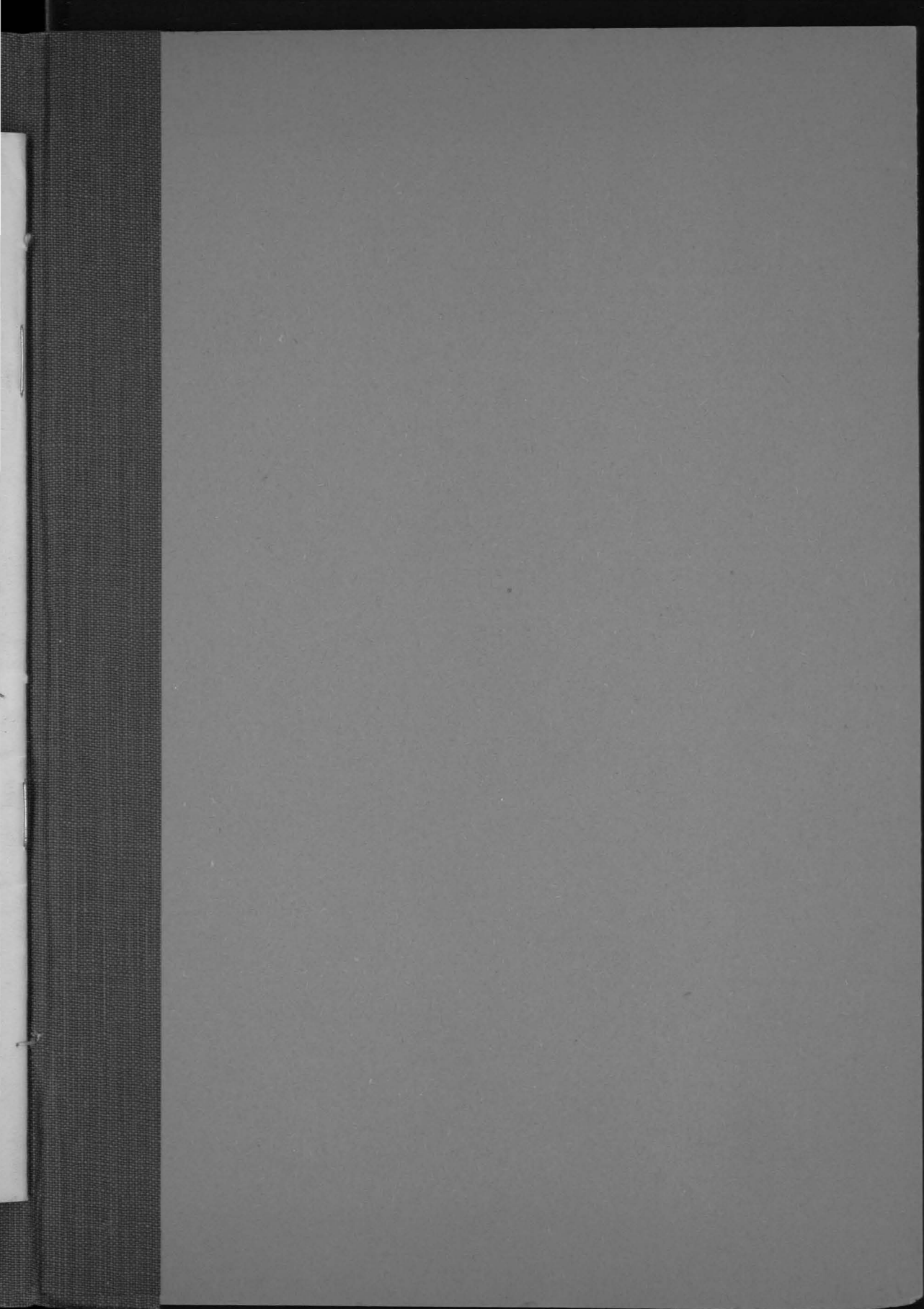
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